



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

Charles A. Van Gorder, CPA
Lori A. Owen, CPA
John R. Chamberlin, CPA, MBA
Members of AICPA & KyCPA
Licensed in Kentucky & Ohio

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Council of the
City of Cold Spring, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the City of Cold Spring, Kentucky, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

-Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

-Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



-Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City of Cold Spring, Kentucky as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

-Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4–8, the budgetary comparison schedules on pages 31-33, and the pension disclosure on pages 34-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2018 on our consideration of the City of Cold Spring, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cold Spring, Kentucky's internal control over financial reporting and compliance.

Van Gorder, Walker & Co., Inc.

Van Gorder, Walker, & Co., Inc.
Erlanger, Kentucky
March 21, 2018

CITY OF COLD SPRING, KENTUCKY BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL - GENERAL FUND For the Year Ended June 30, 2017

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original*	Revisions	Final		
Budgetary fund balance, July 1	\$ 5,761,608	\$ 710,281	\$ 6,471,889	\$ 6,325,680	\$ (146,209)
Resources (inflows)					
Property taxes	970,869	90,389	1,061,258	983,011	(78,247)
Licenses/permits	140,800	7,050	147,850	158,537	10,687
Intergovernmental	117,000	(5,689)	111,311	109,580	(1,731)
Fines and forfeitures	15,967	(10,522)	5,445	2,300	(3,145)
Charges for services	289,450	13,303	302,753	328,503	25,750
Parks, trees and recreation	3,200	(1,400)	1,800	2,465	665
Other	1,171,408	531,992	1,703,400	2,316,673	613,273
Amounts available for appropriation	9,157,486	648,220	9,805,706	10,226,749	421,043
Charges to appropriations (outflows)					
General government	836,000	113,673	949,673	930,431	19,242
Police	1,476,055	(361,055)	1,115,000	1,182,319	(67,319)
Public works	514,380	(39,380)	475,000	365,048	109,952
Enterprises	2,900	(500)	2,400	6,298	(3,898)
Parks, trees and recreation	56,395	(7,665)	48,730	33,564	15,166
Debt service	-	-	-	36,224	(36,224)
Capital expenditures	-	-	-	82,764	(82,764)
Total charges to appropriations	2,817,435	(246,402)	2,571,033	2,636,648	(65,615)
Proceeds from capital lease	-	-	-	-	-
Transfer from (to) other fund	(515,225)	(734,775)	(1,250,000)	(957,912)	292,088
Budgetary fund balance, June 30	\$ 5,761,608	\$ 159,847	\$ 5,884,673	\$ 6,632,189	\$ 747,516

*NOTE: As budgeted, numbers do not foot.

CITY OF COLD SPRING, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL -
MUNICIPAL AID ROAD FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Revisions	Final		
Budgetary fund balance, July 1	\$ 410,219	\$ (369,717)	\$ 40,502	\$ (97,670)	\$ (138,172)
Resources (inflows)					
Other income	248,700	(248,700)	-	64	64
Intergovernmental	116,252	(4,965)	111,287	115,074	3,787
Amounts available for appropriation	526,471 *	(623,382)	151,789	17,468	(134,321)
Charges to appropriations (outflows)					
Municipal road fund	370,890	444,110	815,000	137,707	677,293
Construction	-	-	-	470,032	(470,032)
Debt service	-	-	-	282,197	(282,197)
Total charges to appropriations	370,890	444,110	815,000	889,936	(74,936)
Transfer from General Fund	515,225	734,775	1,250,000	957,912	(292,088)
Budgetary fund balance, June 30	\$ 670,806	\$ (332,717)	\$ 586,789	\$ 85,444	\$ (501,345)

*NOTE: As budgeted, numbers do not foot.

CITY OF COLD SPRING, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL -
STORM SEWER FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Revisions	Final		
Budgetary fund balance, July 1	\$ -	\$ 263,448	\$263,448	\$ 253,449	\$ (9,999)
Resources (inflows)					
Commercial fees	175,300	-	175,300	176,529	1,229
Residential fees	73,400	-	73,400	76,153	2,753
Application fees	-	-	-	3,700	3,700
Amounts available for appropriation	<u>248,700</u>	<u>263,448</u>	<u>512,148</u>	<u>509,831</u>	<u>(2,317)</u>
Charges to appropriations (outflows)					
Storm sewer expense	<u>248,905</u>	<u>25,505</u>	<u>223,400</u>	<u>105,717</u>	<u>117,683</u>
Total charges to appropriations	<u>248,905</u>	<u>25,505</u>	<u>223,400</u>	<u>105,717</u>	<u>117,683</u>
Transfer out	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Budgetary fund balance, June 30	<u>\$ (205)</u>	<u>\$ 232,943</u>	<u>\$283,748</u>	<u>\$ 404,114</u>	<u>\$ 120,366</u>

City of Cold Spring
Audit Report – year ending 6/30/2017

The City of Cold Spring audit report is published in compliance with KRS 91A.040(6). The entire audit report including financial statements and supplemental information is available for public inspection at the Cold Spring City Building, 5694 E. Alexandria Pk. Cold Spring, KY during normal business hours. Citizens may obtain a copy of the complete audit report at a cost of ten cents per page